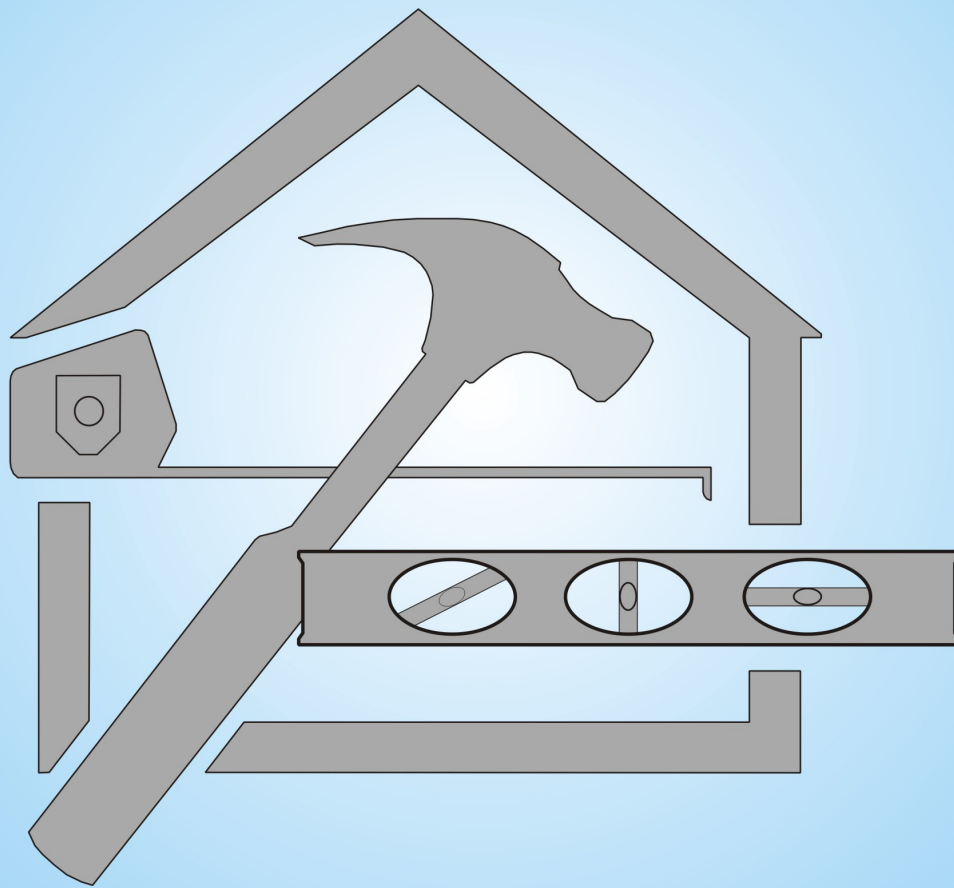


Annual Urban Development Report



**Planning
Building Codes
Zoning and Subdivision**

2006

Board of Directors - 2006

Mayor	Jim Dailey
Ward 1	Johnnie Pugh
Ward 2	Willie Hinton
Ward 3	Stacy Hurst
Ward 4	Brad Cazort
Ward 5	Michael Keck
Ward 6	Genevieve Stewart
Ward 7	B.J. Wyrick
Position 8	Dean Kumpuris
Position 9	Barbara Graves
Position 10	Joan Adcock

Board of Adjustment – 2006

Andrew Francis – Chairman
Terry Burruss – Vice Chair
Fletcher Henson
Debra Harris
David Wilbourn

City Beautiful Commission - 2006

Lynn Mittelstaedt Warren – Chairperson
Jan Baker
John Beneke
Cita Cobb
Jan Barlett Hicks
Amy Ivey
Troy Laha
Ross Piazza
Mary Jane Rebick
Karol Zoeller

Midtown Advisory Board - 2006

Craig Berry – Chairperson
Alicia Cooper
John Kincaid
Baker Kurrus
Melinda Martin
Scott Mosley
Robert Stebbins

Planning Commission - 2006

Robert Stebbins – Chairperson
Chauncey Taylor – Vice Chair
Pam Adcock
Fred Allen, Jr.
Lucas Hargraves
Troy Laha
Gary Langlais
Jerry Meyer
Mizan Rahman
Darrin Williams
Jeff Yates

River Market Design Review Committee - 2006

Tim Heiple -Chairman
Jim Jackson
Shannon Jeffery-Light
Frank Porbeck
Ann Wait

Construction Board of Adjustment and Appeal -2006

Rob Seay - Chairperson
Danny Bennett
Terry Burruss
H. James Engstrom
Robert Merriott
Isaac Ross
Clyde Smith

Historic District Commission - 2006

Carolyn Newbern – Chairperson
Susan Bell
Marshall Peters
Joe Serebrov
Kay Tatum
Wesley Walls



City of Little Rock

Department of Planning and Development

723 West Markham Street

Little Rock, Arkansas 72201-1334

Phone: (501) 371-4790 Fax: (501) 399-3435 or 371-6863

Planning Zoning and Subdivision

February 7, 2007

Dear Citizen;

The Planning & Development Department is guided by the desire to preserve and enhance the quality of life that initially attracted each of us to the community that we continue to call home. We strive to bring City services closer to the people of the community in hopes of better understanding and involvement.

The Building Codes division continues to review plan applications on commercial buildings within five days and provides same-day review of residential applications, as well as same-day inspections of all requested inspections prior to 9:00 AM. The division collected over \$2,600,000 in fees, including permit fees, licenses and other miscellaneous charges.

The Zoning & Subdivision Division serves as a resource for developers, realtors and other citizens for zoning, plat status, development standards, or land use information. The division administers a number of ordinances and staff several boards and commissions. Activity within the division has remained steady.

The Planning Division continues the effort with neighborhoods to define a common direction, based on a shared vision, which is articulated by residents of the neighborhoods involved. Much of the division's efforts are aimed at developing data and analysis for others to make well-informed decisions. With the Little Rock Historic District Commission the division works to advance preservation efforts.

Contained in this Annual Report are not only the accomplishments and achievements from the previous year for the Department, but information on development and development trends for the City of Little Rock. Please review this report and join us in efforts to further improve Little Rock in 2007.

Sincerely,

Tony Bozynski, Director
Planning & Development

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Building Codes Division

The Building Codes Division issues construction related permits and provides plan review and inspection services with regard to building, plumbing, electrical and mechanical construction in the city. The primary goal of the Division is to protect the public health and safety through the administration and enforcement of these codes. Within the Building Codes Division there are six sections. The Building Inspection Section, Electrical Inspection Section, Permit Section, Plan Review Section, Plumbing and Gas Inspection Section and Mechanical Inspection Section.

Code Compliance

Building				
	2006	2005	2004	2003
Permits Issued	4,694	5,330	5,032	4,432
Inspections	5,611	6,481	5,969	5,462
Violations	1,410	1,408	1,473	1,083
Fees	\$1,316,342	\$1,263,750	\$1,098,920	\$1,034,294
Plumbing				
	2006	2005	2004	2003
Permits Issued	3,874	4,137	3,767	3,692
Inspections	6,943	7,202	6,528	6,322
Violations	826	804	862	930
Fees	\$460,336	\$465,530	\$415,008	\$358,360
Electrical				
	2006	2005	2004	2003
Permits Issued	3,386	3,993	3,189	2,972
Inspections	8,356	9,547	7,770	6,851
Violations	1,588	2,006	1,540	1,211
Fees	\$478,744	\$570,173	\$382,012	\$389,049
Mechanical				
	2006	2005	2004	2003
Permits Issued	2,048	2,258	1,789	1,690
Inspections	3,896	4,179	3,825	3,460
Violations	757	795	636	536
Fees	\$395,436	\$393,981	\$346,653	\$347,904

Building Inspection

The Building Inspection Section is responsible for the inspection of all permitted commercial and residential construction jobs for code compliance through the full construction process, from foundation to the completion of construction. Inspections are also performed on dilapidated commercial structures and follow-up action is taken to have the structure repaired or removed.

Building Codes Division

Inspectors in this section also answer complaints involving illegal and non-permitted building projects. This section is responsible for review of building codes and proposes any changes as necessary.

Electrical Inspection

The Electrical Inspection Section is responsible for inspection of permitted projects for code compliance. This section inspects all new electrical construction as well as electrical repairs. This section also reviews electrical drawings involving commercial buildings and outdoor electrical signs. Inspectors handle complaints involving illegal and non-permitted work and check electrical contractors' licenses. This section also reviews and proposes changes to the electrical code as necessary.

Plumbing and Gas Inspection

The Plumbing and Gas Inspection Section reviews all permitted plumbing and natural gas projects for code compliance. The City of Little Rock also has jurisdiction over such work outside the city limits (if connecting to the city water supply). Inspections include water meter, yard sprinklers, installations involving plumbing and natural gas. Inspectors in this section also handle complaints involving illegal and non-permitted work. Inspectors check for plumbing contractors' licenses and privilege licenses. Plumbing construction drawings are reviewed for proposed commercial projects and this section also proposes changes to the plumbing codes as necessary.

Mechanical Inspection

The Mechanical Inspection Section is responsible for inspection of permitted projects for code compliance. These inspections include all heating and air installations. Inspectors in this section also handle complaints involving illegal and non-permitted projects and check contractors for proper licensing. Mechanical construction drawings are reviewed for proposed commercial projects and this section also proposes changes to the mechanical codes as necessary.

Plan Review Section

The Plan Review Section is responsible for the review of all proposed commercial building plans for code compliance. This review involves all phases of building from foundation to structural, electrical, plumbing and mechanical and qualifies all requirements of Wastewater, Water Works, Civil Engineering, Traffic Engineering, Fire and Landscaping code requirements. This section works closely with other city agencies as well as contractors, architects and developers.

Permit Section

All construction permits involving building, electrical, plumbing, and mechanical work are issued in this section. Utility reconnection releases for natural gas, water and electrical are handled in this section. Records and building plans are maintained on all jobs for which permits have been issued. The permit section also maintains all other general records of the Division.

Building Codes Division

Building Codes Highlights

During 2006 the Building Codes Division collected over \$2,600,000 in fees including permits, licenses and other miscellaneous charges and performed over 20,000 inspections. Ten major unsafe structures were demolished. All information brochures on commercial construction permitting, plumbing, mechanical, and electrical procedures were updated and made available to the public as well as two issues of the *Codes Roundup*.

All inspection personnel attended some type of training seminar during the year and several members were nominated to policy level positions within their respective organizations. Mark Whitaker and Chuck Givens were selected to serve on several key committees with national code organizations. The Division also celebrated International Building Safety and Customer Appreciation week during April.

A program, which provides for an increased flow of information and communication between the Division and the Arkansas General Contractors Association, Associated Builders & Contractors, and The Home Builders Association of Greater Little Rock has produced good results.

The debit system for contractors has been a great success and allows contractors to obtain permits via fax or mail. This service allows the contractor the convenience of not having to come to the office to purchase permits and decreases downtime and saves money.

The 2006 International Fire, Building, Residential, Fuel Gas, Existing Building and Maintenance Codes were adopted. The Division also participated in the Criminal Abatement Program, which targets commercial and residential properties where criminal activity is present and building life safety are issues.

The Building Codes Division has had great success with the following programs and plans to upgrade and enhance them for better service.

- All inspectors are equipped with radios and cell phones for faster service.
- We provide quick response to all complaints.
- Five-day plan reviews insure prompt attention to commercial building applications.
- Same-day review is given to residential applications.
- Same-day inspections are made on all inspection requests made before 9:00 a.m.

	2006	2005	2004	2003	2002	2001	2000
Building Plans Reviewed	1147	1368	1495	1366	1533	1536	1773
Construction B.O.A.	1	0	0	0	1	1	1
Electrical Exams	12	6	12	21	54	11	21
Franchise Permits	28	26	31	34	22	26	28

Building Codes Division

Major Jobs Reviewed, Permitted or Inspected in 2006

Projects of significant importance to the community involving new construction, additions or renovations include:

Churches

Little Rock Church
Pulaski Heights Methodist
St. Andrews Anglican
Fellowship Bible Church
St. James Methodist (3)
Temple B’Nai Israel

Residential

Capitol Hotel
Capitol Hills Apartments
East Side Lofts
Parkland Heights
Eastview Terrace Apartments
West Gate Apartments

Mercantile

Family Dollar
Wild Oats
JC Penny
Park Plaza Mall
Shackleford Crossings

Educational

Terry Elementary
St. Edwards
Episcopal Collegiate School
Gibbs Elementary
LISA Academy
Forest Heights Middle School

Restaurants

Burger King
Starbuck’s
Chick Fil A

Institutional

Arkansas Children’s Hospital (2)
Greenbriar on Stagecoach
Fox Ridge at Chenal Assisted Living
Camp Aldersgate
Convacare

Business

Central Arkansas Land Development
Ranch Animal Hospital
Arkansas Bar Association
Baptist Credit Union
Summit Bank
Student Loan Guarantee Foundation
Central Arkansas Library
CDT-Advanced Tissue
Metro Bank
Little Rock Diagnostic Clinic

Factory/Storage

American Paper & Twine
Hi Speed Industrial Services
Cooper Cameron Valves
Central Arkansas Water Works
National Home Center
Little Rock Warehouse Association
AA Mini Storage
Idle Aire Technologies
The Plumbing Warehouse
United Parcel Service
Nex Air

Zoning and Subdivision Division

Zoning and Subdivision Regulations are the principal tools employed by the City of Little Rock in guiding the city objectives and plans to specify goals. They assure compatibility of uses while directing the placement of infrastructure and public services.

Platting, rezoning and site development ordinances are administered by this Division. Additionally, use permits, variances and enforcement are dealt with daily.

The Division also acts as a resource agency for developers, realtors and other citizens when presented with requests for current zoning, plat status, development standards or statistical information.

Limited involvement in maintaining a neighborhood contact list for purposes of monitoring development activities has been continued by the division. The list is monitored for updates and expansions, within a computer master list. This record offers several notice formats for contacts.

This Division has encouraged local developers to provide early contact with staff to assure that development proposals are filed in a timely manner, and with involvement of interested persons or organizations.

Staff from the Division continues their involvement in neighborhood meetings with developers and area residents. These meetings are held in the neighborhood normally during the evening hours to facilitate attendance by interested neighbors. These meetings usually concern an active application for development.

2006 Sign Code Statistics

Sign permits brought in \$32,292 in fees for the year. In addition, the Division administered the scenic corridor provisions on billboards.

738 Sign Permits Issued

6088 Sign Inspections and Re-inspections

In 2007, the Division will continue to monitor and enforce the Sign Ordinance. The staff anticipates no significant changes in the coming year.

Commercial Plan Review

The Division provides for a detailed review of all commercial permits for purposes of assuring that all developments comply with Zoning, Subdivision and Landscape Ordinance standards.

Additionally, reviews of the landscape and buffer requirements for developments going before the Planning Commission are provided. These reviews not only aid the City Beautiful Commission in its efforts to create a more livable city, but assist in providing a five (5) day “turnaround” on all commercial building permits.

Zoning and Subdivision Division

2006 Plans Review for Zoning, Subdivision and Landscape Requirements

168 Commercial Plans/New or Additions

383 Commercial Landscape Plans

2006 Other Activities

24 Franchise Request

274 Site Inspections

91 Certificates of Occupancy

58 Grading Permits Reviewed

Enforcement

The Division performs a key role in maintaining the effect and values of land use regulation by enforcing the Zoning, Subdivision and Landscape Ordinances. Over 9,000 inspections and re-inspections were performed.

2006 Plan Reviews for Permits

1632 Residential Plans – New or Additions

2006 Privileges Licenses

1753 Retail, Commercial, Office, Industrial and Home Occupation Reviews

2006 Information Inquiries

5661 Request for Sign, Zoning, Enforcement or Licenses

2006 Court Cases

89 Cases – All Types

2006 Citations Issued

25 Cases – All Types

Wireless Communication Facilities

The Division continued to administer Article 12 of the City Ordinances, passed January 1998, which regulates wireless communication facilities. During 2006, 15 locations were approved administratively. Staff shall continue to encourage collocation of WCF facilities.

Zoning Site Plan

Zoning Site Plan review is a development review process that provides for case-by-case consideration of project particulars involving site development plans within certain zoning districts in the City of Little Rock. Plans for all such developments are submitted to and reviewed by the Division and the Little Rock Planning Commission. During 2006, the Division and the Planning Commission reviewed 17 zoning site plans, 16 of which were approved by the Planning Commission.

Zoning and Subdivision Division

Subdivision Site Plans

Subdivision Site Plan review is a development review process that provides for case by case consideration of project particulars involving multiple building site plans. Plans for all such developments are submitted to and reviewed by the Division and the Little Rock Planning Commission. During 2006, the Division and the Planning Commission reviewed 13 Subdivision Site Plans, with 11 of the plans being approved by the Planning Commission.

Conditional Use Permits

Divisional staff provides support and analysis for the Planning Commission's review of Conditional Use Permit applications. Conditional uses are specifically listed uses within the various zoning districts, which may be approved by the Planning Commission. Such uses are subject to special conditions as determined by the Commission. In 2006, the Commission reviewed 52 Conditional Use Permit applications. Of these, the Commission approved 43 applications.

Board of Zoning Adjustment

Staff support and analysis for the Board of Zoning Adjustment is provided by divisional staff. The Little Rock Ordinance provides a multitude of specific requirements which, when applied to certain developments or in individual instances, may create hardship. In those instances, the Board of Adjustment is empowered to grant relief. The Board hears appeals from the decision of the administrative officers in respect to the enforcement and application of the Zoning Ordinance. In addition, the Board is responsible for hearing requests for variances from the literal provisions of the Zoning Ordinance. The Board consists of five (5) members appointed by the Board of Directors to a term of three (3) years. The Board meets one (1) time each month, typically the last Monday of the month. In 2006, the Board heard a total of 111 cases. Of the 111 requests, 99 were approved.

City Beautiful Commission

The Zoning and Subdivision Division provides staff support and analysis for the City Beautiful Commission. This nine (9) member commission is responsible for the establishment and maintenance of plans to ensure a high level of visual aesthetic quality. The goal of the commission is to raise the level of the community expectations for the quality of its environment. The Commission also hears and decides appeals from enforcement of the various provisions of the City's Landscape Ordinance. The Commission heard six such appeal cases in 2006.

Rezoning, Special Use Permits and Right-of-Way Abandonments

Divisional Staff provides support and analysis for the Planning Commission's review of rezoning and special use permit requests and proposed right-of-way abandonment requests. In 2006, the Planning Commission reviewed 30 rezoning requests, 8 special use permit requests and 17 proposed right-of-way abandonment requests.

Preliminary and Final Plats

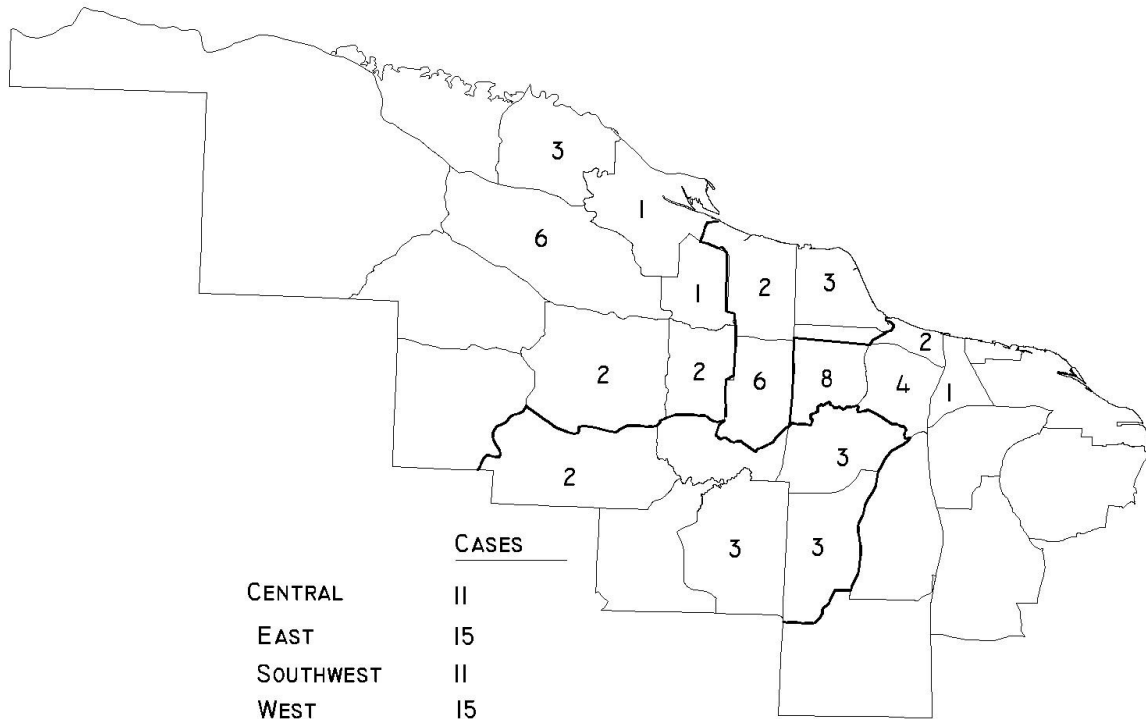
Divisional Staff, in conjunction with the Planning Commission, administers Chapter 31 of the Code of Ordinances, the Subdivision Ordinance. Staff provides review and analysis of proposed preliminary plats and administers the approval of final plats. In 2006, Staff reviewed 50 preliminary plats and 91 final plats.

Zoning and Subdivision Division

Planned Zoning District

Divisional Staff provides support and analysis for the Planning Commission and Board of Directors' review of Planned Zoning District applications. The Planned Zoning District is a combined subdivision and zoning review in one process in order that all aspects of a proposed development can be reviewed and acted upon simultaneously. In 2006, 118 Planned Zoning District applications were reviewed.

Filed Conditional Use Permits



Planning Division

The Planning Division provides mid and long range planning as well as technical support to the City. The division prepares neighborhood plans and reviews draft amendments to the existing plans. The division staff reviews reclassification requests, certificates of appropriateness, and development of staff reports for Land Use Plan amendments requested by various groups.

The staff of the Planning Division responds to requests for statistics, graphics, and GIS products. This Annual Report is one example of the products produced by the division. The division monitors the Website for updates and assists with all computer needs of the department. In addition, at the request of the Board of Directors and/or the Planning Commission, the division staff may work on special studies. A few of the major work efforts from 2006 are described below.

Review of Land Use Plan Issues

The Planning staff reviews all rezoning (including PZD) requests for conformance with the adopted Land Use Plan and any Neighborhood Plan in effect for the area. If non-conformance with the Land Use Plan is discovered, a Plan amendment for the area is developed and processed. For all cases a written review of both the Land Use Plan and any Neighborhood Plan is prepared. In those cases where an amendment is determined to be necessary a full staff report (conditions, changes, recommendations) is generated.

Planning staff reviewed 41 requests for Plan changes in 2006. Of these, the Planning Commission forwarded fifteen to the Board of Directors.

Special Planning Efforts

The Division Planners worked on several special efforts. Staff completed a Land Use review of the Kanis Road corridor from Chenal Parkway west to Stewart Road. This planning effort was enlarged to the north and east due to filed land use plan amendments. Staff worked with the Plans Committee to develop a package of changes for the Little Rock Planning Commission.

Boards and Commissions Supported

The Planning Division provides staff and meeting support for the Little Rock Historic Commission, Midtown Redevelopment District Advisory Board and the River Market Design Review Committee. Each of these Boards or Commissions meets on a monthly basis.

In 2006, the Commission reviewed 9 applications for Certificates of Appropriateness (COA). After review and in some cases with modifications the Historic Commission approved all nine requests for COAs within the McArthur Park Historic District.

The Midtown Redevelopment Advisory Board working with a consultant developed and approved a 'Statement of Expectations' for the area. The Board has developed contacts with major property owners in the District and met with the Simon Group (University Mall), CDL (Park Plaza) and others on plans for the area. A final worktask for 2006 is the re-write of the midtown overlay district.

Planning Division

The River Market Design Review Committee met through the year to review and discuss applications for exterior changes within the River Market Overlay District. Staff and the Committee reviewed a total of eight requests.

GIS & Graphics Activities

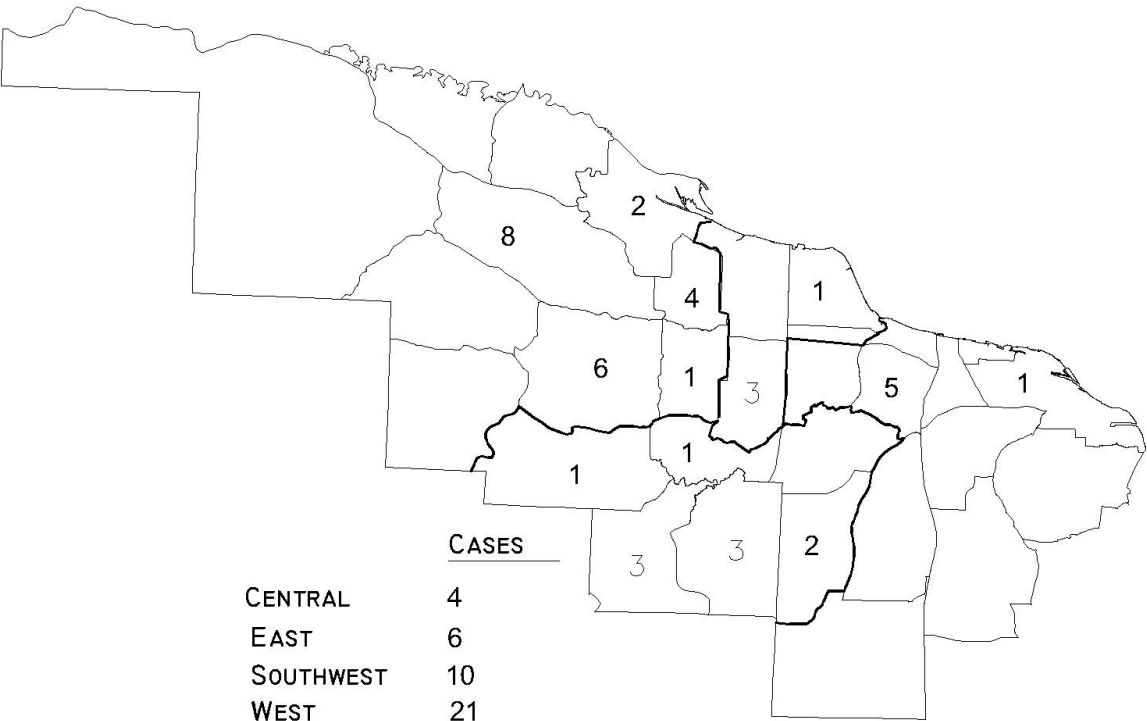
GIS continues to be the source of sketch and base maps as well as statistics for neighborhood plans and special studies. Members of the division staff represent the City on various PAGis committees dealing with maintenance and development of the regional GIS. Maintenance of data related to future land use, zoning and structure changes (addition or removal) continues. GIS has become a support function of the division for both graphics and statistical reports with use of ArcMap software.

The graphics section continues to maintain the Zoning Base Maps and provide graphic support for the department and other agencies. The graphics section produced brochures, sketch maps, business cards, graphics for special studies and neighborhood plans. The graphics staff also performs GIS maintenance.

Neighborhood Plans

The Planning Division has continued the Neighborhood Plan process with work on the updates (review) for the Downtown Neighborhoods Plan and Upper Baseline Neighborhood Plan. Work on a Plan for the Geyer Springs-Wakefield area was undertaken in 2006 with an early 2007 completion date expected.

Future Land Use Plan Amendments



2006

**Urban
Development
Report
Data**

Urban Development Report

This Urban Development Report is designed to describe and monitor growth and present a comprehensive overview of significant demographic, economic and development conditions, which exist in the City of Little Rock during the 2006 reporting period.

Sources of the data are the official records of the Department of Planning and Development, MetroPlan and *Arkansas Business*. Building permits were used to quantify the numbers, locations and magnitude of the various residential and nonresidential developments. The data reflected by building permits is only the authorization for construction and the possibility exists that a small number of construction projects were not initiated before the end of 2006.

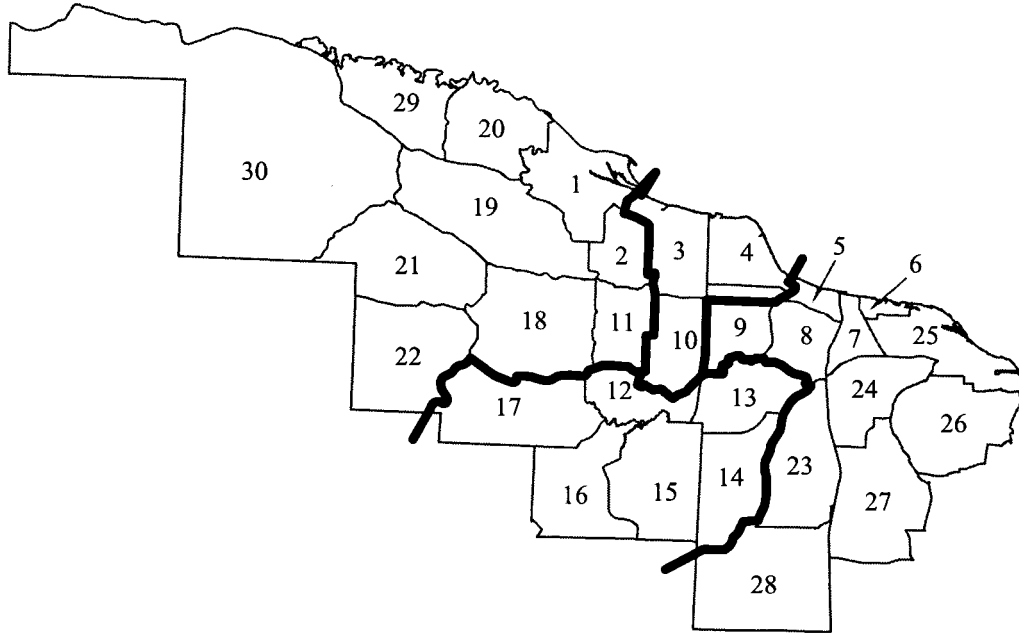
Thirty Planning Districts have been designated for both land use and statistical purposes. The districts follow physical features and include not only the area within the corporate limits but also area beyond. For reporting purposes four sub-areas have been designated. Both the Planning Districts and sub-areas form the framework for presentation of data in this report.

The preceding map indicates the area of each Planning District while the following chart provides the Planning District names and corresponding sub-area.

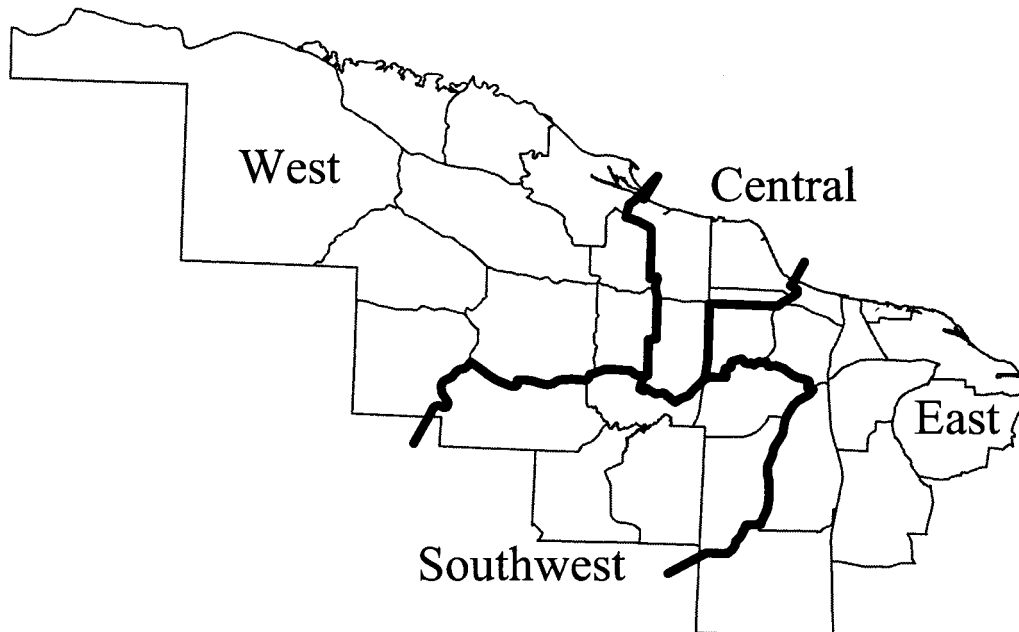
	Planning District	Sub - Area
1	River Mountain	West
2	Rodney Parham	West
3	West Little Rock	Central
4	Height/Hillcrest	Central
5	Downtown	East
6	East Little Rock	East
7	I-30	East
8	Central City	East
9	I-630	East/Central
10	Boyle Park	Central
11	I-430	West
12	65 th Street West	Southwest
13	65 th Street East	Southwest
14	Geyer Springs East	Southwest
15	Geyer Springs West	Southwest
16	Otter Creek	Southwest
17	Crystal Valley	Southwest
18	Ellis Mountain	West
19	Chenal	West
20	Pinnacle	West
21	Burlingame Valley	West
22	West Fourche	West
23	Arch Street Pike	East
24	College Station	East
25	Port	East
26	Port South	East
27	Fish Creek	East
28	Arch Street South	East
29	Barrett	West
30	Buzzard Mountain	West

Urban Development Report

Planning Districts



Sub - Areas



Development Activity Summary

Population Estimate

192,530 persons 2006 population estimate

New Construction

894 permits; down 17.2% from 1080 in 2005

Single-Family Housing

810 units; down 16.2% from 967 units in 2005

\$245,606 avg.; down 4.8% from \$257,993 in 2005

Multi-Family Housing

15 units; down 95% from 300 units in 2005

Residential Renovations/Additions

1185 permits; up 2.9% from 1141 in 2005

\$48,661,450 construction dollars; up 44.6% from \$33,641,683 in 2005

Demolitions

167 residential units; up 20.1% from 139 in 2005

Office

159,135 square feet; down 43.5% from 281,541 in 2005

\$23,716,810 construction dollars; down 12.8% from \$27,203,217 in 2005

Commercial

478,592 square feet; down 29.4% from 677,554 in 2005

\$32,646,539 construction dollars; down 54.5% from \$71,665,809 in 2005

Industrial

115,919 square feet; down 9.8% from 128,585 in 2005

\$7,591,799 construction dollars; down 39.7% from \$12,591,006 in 2005

Annexations

One annexation for 9.94 acres, compared to five annexations totaling 47.49 acres in 2005

Preliminary Plats

1327 residential lots; down 43 % from 2328 lots in 2005

995.84 total acres; down 21.1 % from 1262.5 acres in 2005

Final Plats

91 cases; down 19.5% from 113 cases in 2005

470.09 acres; down 43% from 824.69 acres in 2005

Rezoning

31 cases; up 106.7 % from 15 cases in 2005

150.14 acres; up 71.2 % from 87.71 acres in 2005

PZD's

71 cases; down 6.5 % from 76 cases in 2005

406.27 acres; down 28.4 % from 567.4 acres in 2005

Population Growth and Projections

The population change recorded by the Census has consistently been positive. During the latter part of the 1900s, annexations of already developed areas help inflate the numbers. This slowed in the 1990s to almost no population gained due to annexation. Thus the large growth shown for the 1960s, 1970s and 1980s is an over representation of the actual urban growth.

Little Rock Population		
Year	Population	Annual % change
1900	38,307	-
1910	45,941	19.93%
1920	65,142	41.79%
1930	81,679	25.39%
1940	88,039	7.79%
1950	102,213	16.10%
1960	107,813	5.48%
1970	132,483	22.88%
1980	159,024	20.03%
1990	175,795	10.55%
2000	183,133	4.17%
2001	183,923	0.43%
2002	184,354	0.23%
2003	185,835	0.80%
2004	187,748	1.03%
2005	189,220	0.78%
2006	192,530	1.75%

Little Rock continues to experience a slow to moderate growth rate. Most of the growth has been in the west and southwest parts of the City. The east and central sections of Little Rock experienced most of the population loss. Though it should be noted that there were some areas of growth in all sections of the City. There were even small areas of loss in the high growth areas.

It should be noted that the Bureau of the Census' estimate for the City of Little Rock is not as 'rosy' as the City's. The Bureau for the 1990s likewise had estimated a lower growth rate than the City's estimate. The 2000 Census results were closer to the City than the Bureau's estimate. For this reason, the City is not currently concerned with the Bureau's lower numbers.

For those who will be using the Bureau's new estimates that replace the Long Form – the American Community Survey, care should be used since the numbers are based on an estimate, which has proven to not always be accurate. The trend for the first decade of the twenty-first century is a growth rate, which would result in approximately 9% growth by 2010.

Construction Activity

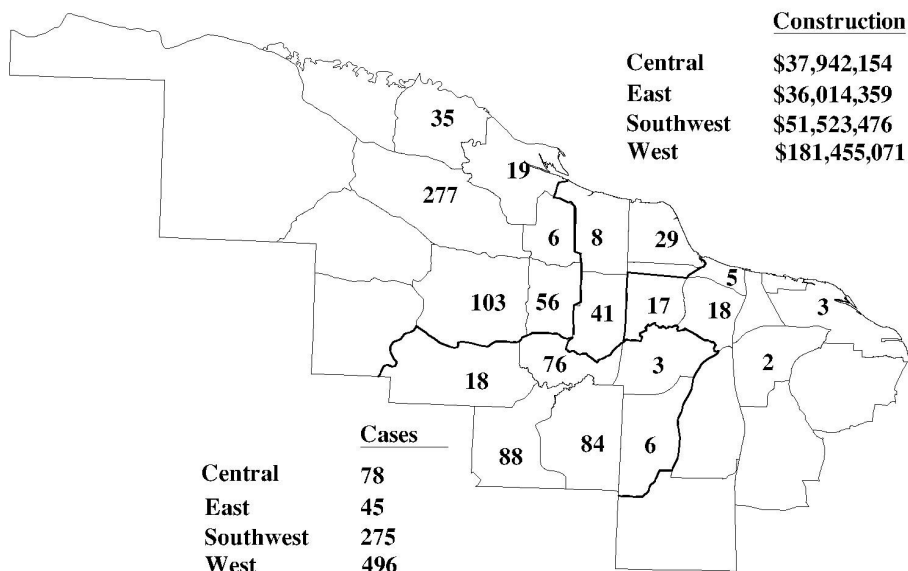
During 2006 the total number of new construction permits issued declined by 186 (17.2%) over the number of permits issued in 2005. In 2006 there were 894 permits issued for a total of \$306,935,060 construction dollars. Permits for non-residential projects declined 13.5 percent from 89 to 77 permits. The number of commercial permits dropped 34 percent to 27 permits with the area added dropping over 29 percent to 478,592 square feet. Office permits likewise dropped 22.7 percent with an area of 159,135 square feet or 43.5 percent less area added in 2006 than in 2005. For industrial, there was an increase of one permit to seven, but a drop of almost 10 percent in area added (115,919 square feet). There was a 30 percent increase in the number of Public/quasi-public projects permitted increasing to 26 projects.

New single-family unit construction decreased by 16.2% (157 units) from 2005 construction permits issued. 810 units were added in 2006 with an average construction cost of \$245,606. The west sub-area continued to dominate the market with 57.5 percent of the new units. The Chenal District leads the way with 273 units or 33.7 percent of all new homes. The southwest sub-area did increase its share of the new home market, rising to 31.7 percent of all new homes. Three of the five districts adding more than 70 homes were located in the southwest sub-area.

Permits for Multifamily almost stopped in 2006 with only seven permits and 15 units added. This is a one-year drop of 77 percent in permits and 95 percent drop in units. All these projects were duplexes or triplexes. In addition to the new construction, over 60 units were permitted in two projects to convert office space to condos in downtown Little Rock.

The map below graphically indicates the activity by Planning District within the sub-areas. The data included on the map includes new construction activities (accessory structures are not reflected). In addition, permits are not required for construction outside the city limits.

New Construction Activity



Construction Activity

Residential Construction Activity

Planning District	Single-Family		Multi-Family		Total Units
	Permits	Avg. Cost	Permits	Units	
1	14	\$318,357	1	3	17
2	1	\$400,000	0	0	1
3	7	\$355,000	0	0	7
4	18	\$431,041	1	2	20
5	0	\$0	0	0	0
6	0	\$0	0	0	0
7	0	\$0	0	0	0
8	13	\$124,230	2	4	17
9	11	\$104,877	0	0	11
10	36	\$135,506	3	6	42
11	44	\$119,343	0	0	44
12	73	\$148,901	0	0	73
13	0	\$0	0	0	0
14	4	\$103,125	0	0	4
15	82	\$113,365	0	0	82
16	82	\$150,247	0	0	82
17	16	\$121,250	0	0	16
18	102	\$212,358	0	0	102
19.1	186	\$416,216	0	0	186
19.2	87	\$313,761	0	0	87
20	32	\$298,361	0	0	32
21	0	\$0	0	0	0
22	0	\$0	0	0	0
23	0	\$0	0	0	0
24	2	\$90,922	0	0	2
25	0	\$0	0	0	0
26	0	\$0	0	0	0
	810	\$245,606	7	15	825

Note: in 2006 there were four single-family units added by moving a structure on to the site. This occurred as follows: one unit in District 4 (Heights-Hillcrest), District 8 (Central City), and two in District 15 (Geyer Springs West).

Construction Activity

Non-Residential Construction Activity

Planning District	Commercial		Office		Industrial		PQP
	Permits	Sq. ft.	Permits	Sq. ft.	Permits	Sq. Ft.	Permits
1	1	1664	2	18,020	0	0	1
2	3	23,461	0	0	0	0	2
3	1	3776	0	0	0	0	0
4	5	95,153	4	64,600	0	0	1
5	1	1750	0	0	0	0	4
6	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0
8	0	0	0	0	1	11,250	2
9	4	15,137	0	0	0	0	2
10	0	0	0	0	0	0	2
11	5	133,086	4	45,640	0	0	3
12	2	72,350	0	0	1	8000	0
13	1	9180	1	110	0	0	1
14	0	0	0	0	1	15,024	1
15	1	7200	0	0	0	0	1
16	1	39,600	1	5978	2	43,920	2
17	0	0	1	9223	0	0	1
18	0	0	0	0	0	0	1
19	1	62,475	2	7004	0	0	1
20	0	0	2	8560	0	0	1
21	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0
25	1	13,760	0	0	2	37,725	0
26	0	0	0	0	0	0	0
	27	478,592	17	159,135	7	115,919	26

Residential Activity

Single-family activity dropped back to the level in 2004, with a decline of 162 units in 2006. There were 810 units permitted. This makes 2006 a good activity year. Single-family unit construction continued its robust growth from 2004. The last four months of the year did see a reduction, however the activity remained above average for each of these months.

As in previous years, the majority of the new units added are in the west sub-area. The Chenal Planning District, generally south of Hinson Road/Taylor Loop Road, west of Napa Valley Drive/Mara Lynn Road and north of Chenal Parkway continues to have a majority of the single-family unit permits issued. For 2006, 33.7% of the permits issued were located in this area. Of the permits issued in the Chenal Planning District, 186 units were located west of Rahling Road (almost 23%), and 87 units were permitted for the area east of Rahling Road.

The next most active planning district is the Ellis Mountain Planning District (12.6 percent), an area bounded by Chenal Parkway to the north, Bowman Road to the east, the city limits to the west and Colonel Glenn Road to the south. These were in the Capitol Lakes, Taylor Park and Woodlands Edge Subdivisions. It should be noted that all the loss experienced from that in 2005 is accounted for in one of these two planning districts. That is, without these two districts the City of Little Rock have added a similar number of single-family homes in 2006 as that is 2005.

The central and east sub-areas together accounted for approximately 11 percent of the new housing market. Most of this increase was ‘in-fill’ or replacement (removing a structure and building a new larger one on the same site) homes. The southwest sub-area continued to show strong activity with moderately priced homes, resulting in an increase of market share to 31.7 percent.

New multi-family unit construction fell to only a few duplexes (from 300 units to 15). It should be noted that over 60 units were added in the downtown district via renovation – the conversion of office space in to condo units.

Residential Activity

Single Family			
Year	Permit	Cost	Avg. Cost
1996	482	\$78,089,899	\$162,012
1997	448	\$71,510,751	\$159,622
1998	495	\$89,757,916	\$181,329
1999	555	\$102,062,168	\$183,896
2000	468	\$92,378,933	\$197,391
2001	483	\$105,179,005	\$217,762
2002	581	\$136,231,640	\$234,075
2003	729	\$176,509,112	\$242,125
2004	797	\$208,521,990	\$261,633
2005	967	\$249,478,968	\$257,993
2006	810	\$198,940,867	\$245,606

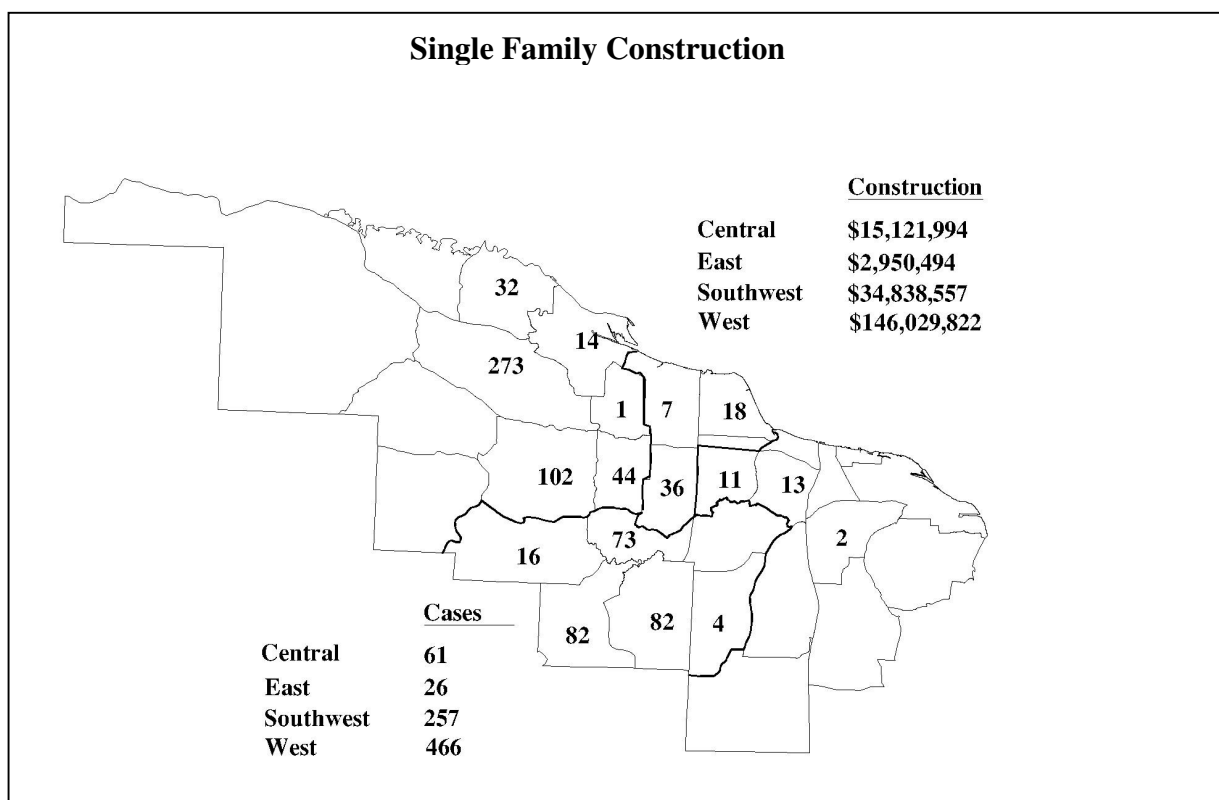
Multi-family			
Year	Permit	Units	Cost
1996	7	191	\$7,031,180
1997	11	1240	\$41,462,210
1998	6	790	\$19,635,381
1999	44	537	\$20,309,000
2000	56	236	\$12,084,472
2001	36	95	\$13,081,744
2002	26	238	\$12,158,550
2003	25	436	\$16,841,397
2004	77	1100	\$49,089,845
2005	30	300	\$54,908,813
2006	7	15	\$1,838,950

Residential Activity

Single Family Units

	Sub-area			
	East	Central	S-west	West
2006 Permits	26	61	257	466
2005 Permits	30	49	252	636
2004 Permits	15	41	194	547
2003 Permits	16	41	209	463
2002 Permits	24	32	156	369
2001 Permits	13	31	89	350
2000 Permits	13	31	78	346
	East	Central	S-west	West
2006 %	3.2%	7.5 %	31.7%	57.5%
2005 %	3.1%	5.1%	26%	65.8%
2004 %	1.9%	5.1%	24.3%	68.6%
2003 %	2.2%	5.6%	28.7%	63.5%
2002 %	4.1%	5.5%	26.8%	63.6%
2001 %	2.7%	6.4%	18.4%	72.5%
2000 %	2.8%	6.6%	16.7%	73.9%

Single Family Construction



Housing Construction Values

The average construction cost of a new single-family home decreased by 4.8% or \$12,387 from that in 2005. The average unit value in 2005 was \$257,993 compared with \$245,606 in 2006. Interest rates while gradually increasing continue to be relatively low, which is making housing more affordable in real terms.

Housing values are represented below in five distribution categories: less than \$100,000, less than \$200,000, less than \$400,000, less than \$600,000 and \$600,000 and above. There were 45 units constructed below \$100,000, 370 units constructed in the range of \$100,000 to \$199,999, 282 units constructed in the range of \$200,000 to \$399,999, 83 units constructed in the range of \$400,000 to \$599,999 and 30 units above \$600,000.

During 2006, 48.7% of the single-family units constructed cost \$200,000 or more. The majority of these homes (87.8% or 347 homes) were built in the west sub-area of the city. The west sub-area has construction cost ranging from \$76,600 to \$5,100,000. The central sub-area, next highest, had a significantly lower construction cost range from \$76,000 to \$800,000. The east sub-area construction cost ranges from \$75,250 to \$250,000, and the southwest sub-area construction cost range from \$72,200 to \$340,000. Of the total dollars expended on construction of single-family units the west sub-area accounted for 73.4% (\$146,029,822) of the construction dollars and the southwest sub-area accounted for 17.5% (\$34,838,557) of all construction dollars expended. The central sub-area, 7.6% (\$15,121,994) and the east sub-area, 1.5% (\$2,950,494) completes the construction dollars expended for single-family construction for 2006.

Of the single-family units added citywide, 45.7% were valued between \$100,000 and \$200,000, 34.8% were valued between \$200,000 and \$400,000, 10.2% were valued between \$400,000 to \$600,000, 3.7% were valued above \$600,000 and 5.6% were valued below \$100,000. High-end construction for the most part is taking place in the Chenal Valley, west part of Chenal District, with a few units in the Pinnacle, West Little Rock and Heights Hillcrest Planning Districts. Of the units valued over \$400,000, 94.7% or 107 units, were permitted in one of these districts. While in these same districts, 0% or 0 units of the less than \$100,000 value units can be found.

While the average construction value fell 4.8 percent for the City, the west sub-area average value increased 0.8 percent to \$313,368. The central sub-area experienced the greatest value decline with a drop of \$18,037 or 6.8 percent to \$247,901. The southwest sub-area value declined to 2003 level with a 3.5 percent drop. The east sub-area continues to have the lowest value at \$113,480, experiencing a 1.4 percent decline from 2005.

Sub-area	2000	2001	2002	2003	2004	2005	2006
West	\$216,225	\$243,844	\$285,620	\$301,125	\$310,075	\$310,861	\$313,368
Central	\$211,875	\$266,315	\$265,331	\$185,713	\$242,623	\$265,938	\$247, 901
Southwest	\$107,394	\$121,220	\$130,317	\$134,121	\$140,425	\$140,532	\$135,558
East	\$99,405	\$80,352	\$83,953	\$90,159	\$114,691	\$115,069	\$113,480

Housing Construction Values

Construction Cost Single Family Homes

Planning District	\$600,000 & Greater	\$400,000 - \$599,999	\$200,000 - \$399,999	\$100,000- \$199,999	Below \$100,000	Total
1	0	2	12	0	0	14
2	0	1	0	0	0	1
3	1	2	3	1	0	7
4	3	6	9	0	0	18
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	1	8	4	13
9	0	0	0	3	8	11
10	0	0	5	24	7	36
11	0	0	1	40	3	44
12	0	0	10	60	3	73
13	0	0	0	0	0	0
14	0	0	0	3	1	4
15	0	0	1	63	18	82
16	0	0	7	75	0	82
17	0	0	0	16	0	16
18	0	3	46	53	0	102
19.1	23	51	103	9	0	186
19.2	2	14	67	4	0	87
20	1	4	17	10	0	32
24	0	0	0	1	1	2
25	0	0	0	0	0	0
Total	30	83	282	370	45	810

Residential Renovations/Additions

Reinvestment in Little Rock neighborhoods can be illustrated by the amount of renovation and addition activity within the neighborhoods. During 2006 reinvestment totaled over \$29.7 million dollars. The east sub-area had the greatest number of permitted projects issued in 2006 with 418 (42.1% of all the projects for 2006).

The central and east sub-areas accounted for 73.1% of the permits issued. With approximately \$20 million of the \$29.7 million dollars (or 67%) spent for reinvestment occurring in these sub-areas, they are the dominant part of the reinvestment market. It is worth noting that 48% of all reinvestment dollars were spent in the central sub-area.

The east sub-area accounts for 52.1% of the permits for renovations and 30.9% of the dollars were spent. While it is a positive sign to see this reinvestment, it can be only to 'bring the housing up to code'. Renovations are both making needed repairs and upgrading the structure. It does not include added living space. The second highest level of permits was in the central sub-area with 24.8%, however this sub-area had the greatest number of dollars spent (35.6 % or \$5.75 million). The southwest and west sub-areas permit levels were 10.6% and 12.5% respectively. The west sub-area accounted for just under \$3.5 million and 12 percent of the permits. The southwest sub-area had the least permits (10.5%) and least dollars spent (11.9%).

The renovation figures also include single-family homes re-permitted. That is, a home which gets a new (second) building permit before the structure is built. In 2004, there were less than a dozen of these. In the Downtown Planning District permits to 'finish-out' condominiums are included with the multifamily renovation figure for the fourth year.

Multi-Family Renovations

The area which experienced the largest number of permitted projects and dollars spent was the east sub-area, 43.9% of the permits (80) and 76.2% of the dollars (\$14.4 million). Just under two hundred thousand dollars was spent in the west sub-area, with 8.2% of the permits – the least permits and value added. The central sub-area accounted for 13.2 percent of the permits (24) with a value of \$1,593,371. The southwest sub-area had the second highest number of permits with a value of \$2,720,623.

Single-Family Additions

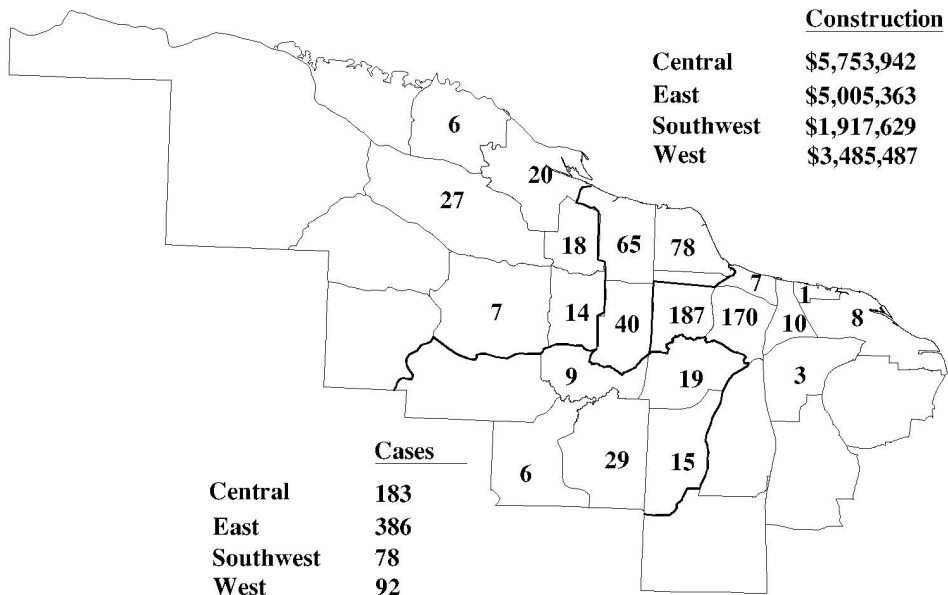
Single-family additions were concentrated in the central sub-area. Citywide 254 permits were issued for a total of \$14,273,983. The central sub-area accounted for 63.3% (\$8,595,443) of the dollars permitted. The majority of the central sub-area permits and dollars were expended in the Heights/Hillcrest Planning District (62 permits and \$5,041,068). In the west sub-area 74 permits were issued for \$4,309,333. The Chenal Districts accounted for 23 with the River Mountain and Rodney Parham Districts accounting for 26 and 13 respectively. The values were \$2,264,228 in the Chenal District and \$1,517,211 and \$340,370 respectively for the River Mountain and Rodney Parham Districts. Overall the average value of permits issued for additions increased by 12.7 percent or \$6234.

Residential Renovations/Additions

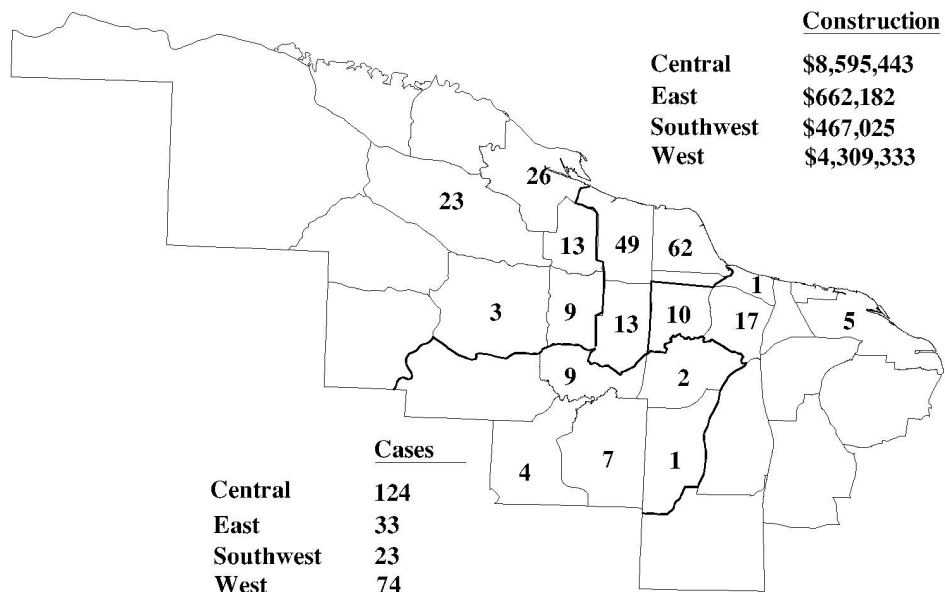
Planning District	Single-Family Additions		Single-Family Renovations		Multi-Family Renovations	
	Permits	Avg. Value	Permits	Avg. Value	Permits	Avg. Value
1	26	\$58,354	20	\$35,515	0	\$0
2	13	\$26,182	18	\$23,796	10	\$4,510
3	49	\$68,846	65	\$34,033	11	\$73,681
4	62	\$81,307	78	\$39,120	12	\$62,426
5	1	\$40,000	7	\$13,663	48	\$217,947
6	0	\$0	1	\$15,000	0	\$0
7	0	\$0	10	\$7,550	10	\$61,500
8	17	\$20,769	170	\$38,601	9	\$346,644
9	10	\$15,810	187	\$9,536	13	\$17,246
10	13	\$13,915	40	\$12,258	1	\$33,750
11	9	\$10,691	14	\$15,519	14	\$28,000
12	9	\$22,722	9	\$12,327	0	\$0
13	2	\$14,000	19	\$8,823	35	\$66,367
14	1	\$30,000	15	\$20,674	3	\$57,166
15	7	\$19,346	29	\$25,624	25	\$9,050
16	4	\$69,100	6	\$97,636	0	\$0
17	0	\$0	0	\$0	0	\$0
18	3	\$30,434	7	\$4,558	0	\$0
19.1	12	\$57,741	10	\$47,300	0	\$0
19.2	11	\$142,848	17	\$74,118	1	\$40,000
20	0	\$0	6	\$60,777	0	\$0
21	0	\$0	0	\$0	0	\$0
22	0	\$0	0	\$0	0	\$0
23	0	\$0	0	\$0	0	\$0
24	0	\$0	3	\$4,000	0	\$0
25	5	\$22,200	8	\$16,100	0	\$0
	254	\$55,251	739	\$21,870	182	\$104,019

Residential Renovations/Additions

Single Family Renovations



Single Family Additions



Demolition Activity

The net change in residential units for 2006 was an increase of 658 residential units. The east sub-area experienced decreases in net units, all other sub-areas had positive change. Seven of the City's thirty planning districts experienced net losses of residential units during 2006. The West Little Rock, Downtown and I-630 Districts went from positive to negative in 2006. The Geyer Springs East District went from negative to positive growth in units. The East Little Rock, I-30, Central City and 65th Street East Districts were negative both years.

One duplex was removed, but the other 167 units lost in 2006 were single-family homes, with the I-630, East Little Rock and Central City Districts experiencing double-digit net loss in the number of housing units (29, 26 and 16 respectively).

Most of the loss in the West Little Rock District was due to the future expansion of the Anthony School, south of Ohio to Illinois, between Watt and Mississippi. In addition, a two-dozen homes were lost in the East Little Rock District to Airport expansion. The Central City and I-630 districts each lost close to over three-dozen homes. The loss of so many single-family homes may have negative impacts in the future, resulting in the deterioration of additional homes in the area. It should be noted an additional 60 units were permitted in the Downtown and Central City Districts as condo conversions of non-residential space.

Residential Units Change

Planning District	Units Added	Units Demo	Net
1 River Mountain	17	1	16
2 Rodney Parham	1	0	1
3 West Little Rock	7	13	-6
4 Heights/Hillcrest	20	19	1
5 Downtown	0	1	-1
6 East Little Rock	0	26	-26
7 I-30	0	3	-3
8 Central City	17	33	-16
9 I-630	11	40	-29
10 Boyle Park	42	7	35
11 I-430	44	1	43
12 65th Street West	73	5	68
13 65th Street East	0	1	-1
14 Geyer Springs E.	4	2	2
15 Geyer Springs W.	82	6	76
16 Otter Creek	82	3	79
17 Crystal Valley	16	0	16
18 Ellis Mountain	102	1	101
19.1 Chenal Valley	186	2	184
19.2 Chenal Ridge	87	3	84
20 Pinnacle	32	0	32
21 Burlingame	0	0	0
22 West Fourche	0	0	0
23 Arch Street Pike	0	0	0
24 College Station	2	0	2
25 Port	0	0	0
Total	825	167	658

When reviewing the ten-year history of removed homes, two districts stand out – Central City and I-630. These two districts are averaging the annual removal of 42 and 32 units respectively and consistently have had net losses. The loss of units continues to be high in the older parts of Little Rock, east of University Avenue. This area accounted for 73 percent of all units lost (122 of 167 units). Efforts need to be redoubled to stabilize and re-energize these neighborhoods if the loss of housing stock is to be stopped in the core.

Demolition Activity

Single Family Unit Change

Sub-Area	Units Added	Units Demo	Net
West	466	8	458
Central	61	37	24
Southwest	257	17	240
East	26	103	-77

Single-Family Units Removed

Planning District	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
1	1	0	2	1	2	1	2	0	3	13	1	26
2	0	3	0	1	0	0	0	0	1	0	0	5
3	0	3	1	2	1	0	0	0	4	5	13	29
4	4	12	8	11	10	13	6	20	12	12	19	127
5	4	3	7	20	5	0	1	1	2	1	1	45
6	14	5	5	3	25	21	8	3	8	3	26	121
7	6	6	5	3	17	1	3	0	3	14	3	61
8	49	38	34	62	61	27	33	32	23	33	31	423
9	31	46	28	24	30	29	23	27	23	27	40	328
10	5	1	2	5	8	5	3	3	6	3	7	48
11	8	1	1	0	2	1	2	2	1	4	1	23
12	2	0	0	3	0	3	1	1	2	1	5	18
13	1	2	2	1	2	0	0	0	1	3	1	13
14	2	2	1	1	10	3	2	0	4	2	2	29
15	1	3	1	3	0	2	3	2	4	4	6	29
16	2	1	0	1	0	1	4	1	1	1	3	15
17	0	0	0	0	0	0	0	0	0	0	0	0
18	0	1	0	0	0	0	1	1	2	5	1	11
19	0	2	1	0	2	0	0	0	3	2	5	15
22	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	1	0	0	0	0	0	0	0	0	1
24	1	2	0	0	1	2	1	2	0	1	0	10
25	1	3	2	1	2	0	0	1	0	1	0	11
Total	132	134	101	142	178	109	93	96	103	135	165	1388

Office Activity

During 2006, the square footage of new office space added fell by 43.5% from 2005. The total square footage permitted in 2006 was 159,135. The number of permits issued decreased 22.7% (17 permits in 2006, 22 permits in 2005). In 2006, the total construction cost (\$23,716,810) a decrease of 12.8 percent.

The west sub-area accounted for most of office area added with 79,224 square feet or 49.8 percent. The west sub-area had the greatest number of permits with 10 (58.8%) and the highest value \$11,525,689. The east sub-area had no activity. The central sub-area had the next highest added area (40.6% of the area added in 2006) and the second highest value added with 43% (\$10,199,121) of the office dollars for new office space spent in the sub-area. The southwest sub-area added 15,311 square feet. The value of new office space was just under \$2 million spent in the southwest.

Only two buildings were permitted with over 25,000 square feet. The largest, a new medical office and clinic building on University Avenue north of H Street, has a total of 28,700 SF or 18 percent of all the added space. The second largest was a building was an office structure for Student Loan Fund of Arkansas. Both of these structures are in the Heights/Hillcrest District.

Building Permits – Office

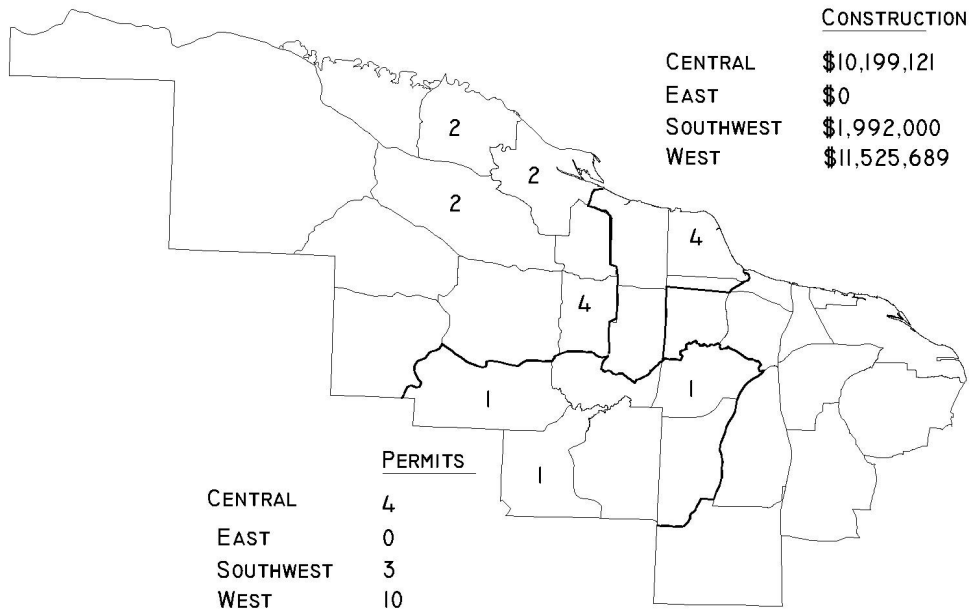
Year	Permits	Sq. Ft.	Cost
1993	6	158,206	\$8,327,700
1994	12	594,340	\$30,625,838
1995	14	286,923	\$10,576,200
1996	15	1,204,450	\$37,458,666
1997	15	903,984	\$10,906,990
1998	29	454,250	\$29,764,837
1999	26	371,382	\$21,483,887
2000	24	1,710,683	\$116,819,784
2001	20	399,011	\$22,173,454
2002	11	99,759	\$9,229,585
2003	22	384,965	\$35,711,284
2004	29	271,496	\$45,341,699
2005	22	281,541	\$27,203,217
2006	17	159,135	\$23,716,810

Office Projects Permitted in excess of 25,000 square feet

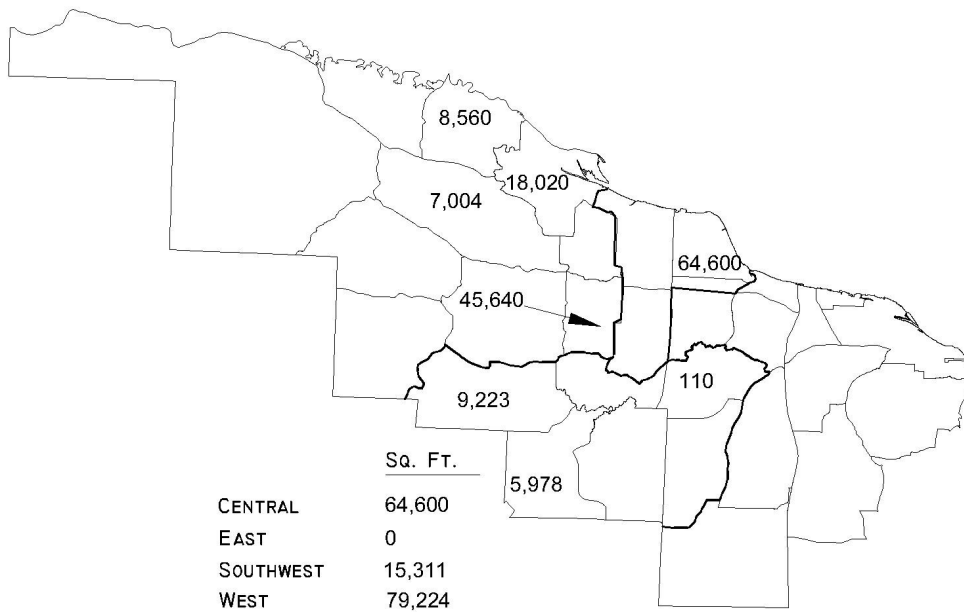
Project	Location	Sub-area	Sq. Ft.
Medical Office Building	701 North University Ave	central	28,700
Student Loan Fund Office	1100 Autumn Road	central	27,540

Office Activity

New Office Activity



New Office Activity



Office Activity

Vacancy Rates are based on 2006 data furnished by *Arkansas Business – 2006 Office, Retail, Warehouse Leasing Guide to Central Arkansas Commercial Real Estate*. It is important to note that the occupancy rates should not be used as a direct comparison from year to year and comparisons must remain general. The survey is a self-selecting non-verified questionnaire. This information is supplied to give an overview of the occupancy rates within the City. The *2006 Lease Guide* includes listings on 226 office properties within Little Rock. This is a decrease of eighteen from last year's report. *Arkansas Business* made no effort to validate the survey responses. For more information contact Gwen Mortiz, Editor-In-Chief – *Arkansas Business* at 501-372-1443.

It should be noted that many small buildings only report when their vacancy rate is high, i.e. are not included in the survey when fully occupied or mostly occupied. The survey is used partially to advertise availability of properties by management companies.

Office Market

Sub-area	Total Leasable Space	Average Occupancy Rate
East	5,255,067	81.3%
Central	1,603,253	86.5%
Southwest	320,156	72.3%
West	3,405,372	85.4%

The central sub-area continues to show the best occupancy rate though a slight decrease from the 2005 number is shown, from 88.7 to 86.5 percent. The reported square-footage for this sub-area also declined by approximately 80,000 square-feet or 5 percent. The west sub-area continued as the second strongest sub-area with an occupancy rate of 85.4. This was an improvement from 83.7 and the square-footage included in the report increased approximately 51,000 square-feet or 1.5 percent. The west sub-area also accounts for the second largest amount of space with over 3.4 million square-feet or 32.2 percent of the reporting market. The east sub-area, which includes downtown, is the largest part of the market at 5,255,067 square-feet (49.9 %) reporting up about 50,000 square-feet from 2005. The average occupancy rate for the sub-area improved to 81.3 percent from 80.4 percent. The southwest sub-area continues to be the smallest part of the reporting market at 3 percent. The 320,156 square-feet reported is a drop of over 29 percent from that reporting in 2005. The occupancy rate dropped to 72.3 percent by far the worst of the sub-areas and down from 78.5 in 2005.

A few new office projects came on-line in 2006 with several more to be completed over the next year or two. Most of these new office buildings are in the west or central (in the Heights/Hillcrest area) sub-areas. Some of this new construction has been current lessees building their own building, which resulted in vacant space in existing buildings. At the same time the new building often has additional space, the owner hopes to lease to help increase their income.

Commercial Activity

The total of new commercial construction added in 2006 amounted to 478,592 square feet of commercial space. This represents a decrease of 29.4% in square footage added from that in 2005. Construction values dropped by half from that in 2005. In 2006, \$32,646,539 construction dollars were permitted compared to \$71,665,809 in 2005. The number of projects permitted dropped 40% from that in 2005 (27 projects versus 45 projects in 2005). These figures indicate an overall decline in 2006. Activity returned to a more normal annual level.

The nine largest projects were a range from 20,000 to 65,000 square feet. The largest project was a retirement center at 62,475 square-feet. Six of the nine were shell retail centers. Four of these shell buildings were part of larger developments. The largest of these was the Midtowne Center at 94,001 square-feet to date. This represents 19.4% of the added commercial for 2006. The Midtowne Center is located northeast of the University-Markham intersection. The second development is the Shackleford Crossing development., which had 83,486 square-feet permitted in 2006 (17.2% of the added area). Shackleford Crossing is located southwest of the I-430 – Shackleford Road interchange.

Building Permits – Commercial

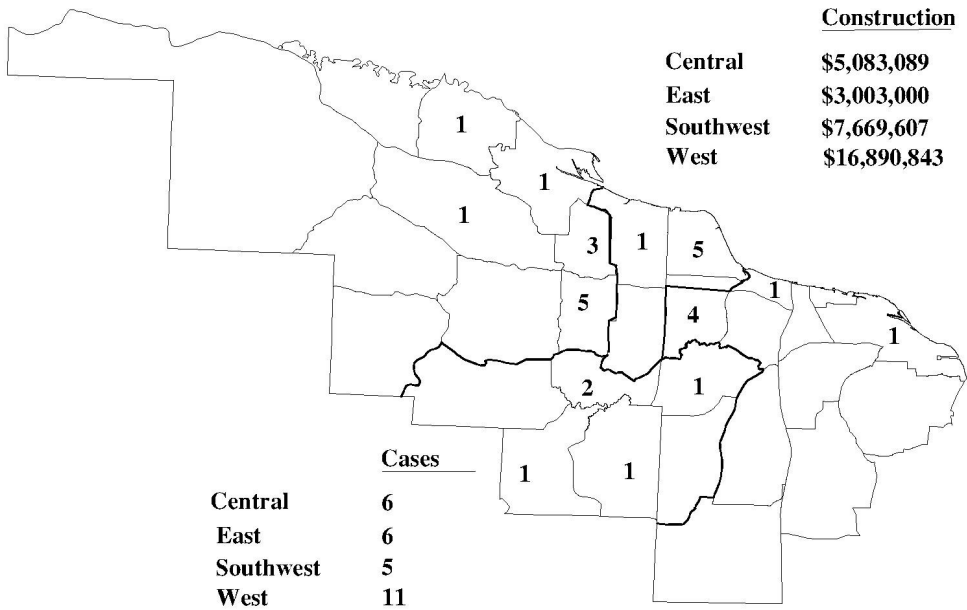
Year	Permits	Sq. Ft.	Cost
1995	50	744,336	\$25,061,532
1996	53	3,321,000	\$68,384,102
1997	38	2,100,340	\$32,916,260
1998	29	419,669	\$21,048,399
1999	26	348,112	\$12,695,827
2000	20	315,873	\$15,983,521
2001	22	336,692	\$17,434,611
2002	20	231,895	\$17,981,631
2003	26	962,519	\$35,555,179
2004	32	529,251	\$34,259,001
2005	45	677,554	\$71,665,809
2006	27	478,592	\$32,646,539

Commercial Projects Permitted in excess of 20,000 square feet

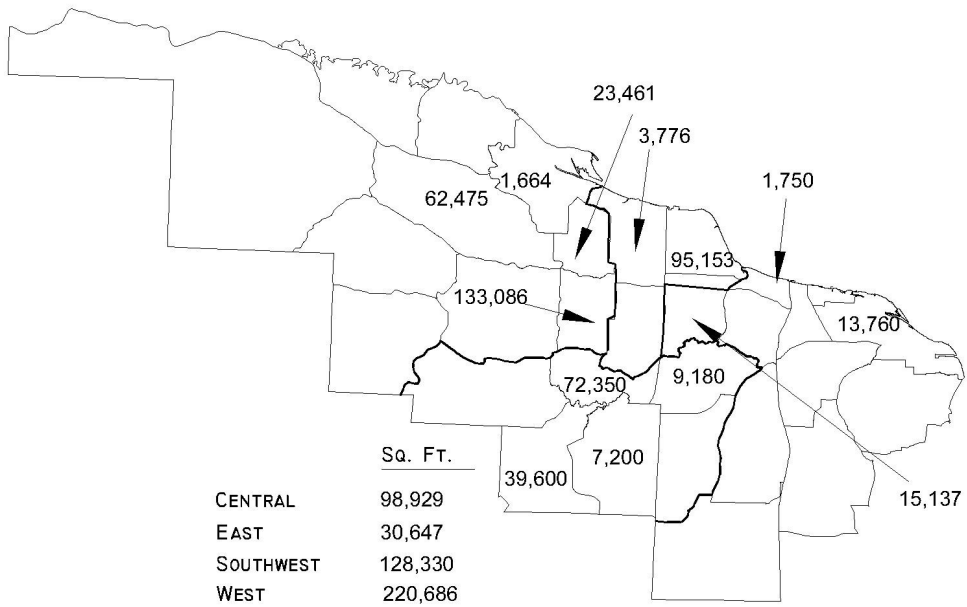
Project	Location	Sub-area	Sq. Ft.
Chenal Heights Retirement Ctr	1 Chenal Heights	west	62,475
AA storage	4324 Shackleford Road	west	49,600
Col Glenn business - shell	10303 Col. Glenn Road	southwest	42,850
Midtowne Center - shell	207 N. University Ave.	central	40,921
Dennis Properties - shell	11419 Stagecoach Road	southwest	39,600
Midtowne Center - shell	201 N. University Ave.	central	39,206
Southern Auto	25 Col. Glenn Plaza Dr	southwest	29,500
Shackleford Crossing - shell	2608 Shackleford Road	west	25,408
Shackleford Crossing - shell	2610 Shackleford Road	west	22,291

Commercial Activity

New Commercial Activity



New Commercial Activity



Commercial Vacancy Rate

The occupancy rate information provided is based on 2006 data furnished by *Arkansas Business Lease Guide 2006*. It is important to note that the occupancy rates should not be used as a direct comparison from year to year and comparisons should remain general. The information is provided to give an overview of the occupancy rates within the City. The survey is a self-selecting survey, i.e. only those who respond are counted and there is no effort to validate the responses. For more information contact Gwen Mortiz, Editor-In-Chief - *Arkansas Business* at 501-372-1443.

Commercial Market

Sub-area	Total Leasable Space	Average Occupancy Rate
East	498,343	77.1%
Central	1,797,134	79.9%
Southwest	722,487	74.9%
West	2,922,115	89%

The reported areas for each of the sub-areas is significantly different from that included in the report for 2005. The added space via new construction makes this change even more significant, since all but the southwest sub-area had significant drops in reported square-footage. Thus one really can not compare 2006 and 2005 by sub-area for change.

The occupancy rates improved in all but the southwest sub-area, which experienced a 10 percentage point drop to just under 75 percent occupied. The occupancy rate changes minimally for the central sub-area, 78.6 to 79.9 percent occupied. The west sub-area showed the highest occupancy at 89 percent. This was up from 81.6 percent though the reporting area dropped by over 14 percent. It should be noted that there was significant new construction of commercial in 2006 within the west sub-area.

The central and west sub-areas continue to have most of the retail – approximately 79.4 percent. Therefore, the changes in these two sub-areas will guide the numbers for the City as a whole.

Industrial Activity

A total of 115,919 square feet of industrial projects was permitted during 2006 in the city. This represents a 9.8% decrease over the square feet permitted during 2005. The total number of projects decreased by two projects from 2004 levels. The value of new construction dropped 39.7% to \$7,591,799 in 2006 from \$12,591,006 in 2005. While the number of projects remained at a moderate level, the square footage added remained low, less than 120,000 square feet. This is in large part due to the fact that the industrial structures added in 2006 were generally accessory uses in larger developments.

For 2006, the permitted projects were split between the east and southwest sub-areas. The number of projects in the east sub-area dropped 50% with two of the three at the airport (both Dassault Falcon Jet). The largest project was for a hanger at Dassault. The second largest project was in the Otter Creek Industrial Park, south of Mabelvale West Road off of I-30 in the Otter Creek Planning District. Six of the projects were from 10,000 to 27,000 square-feet. The Fisher Ice chunk facility at 8000 square-feet was the smallest project permitted.

Building Permits – Industrial

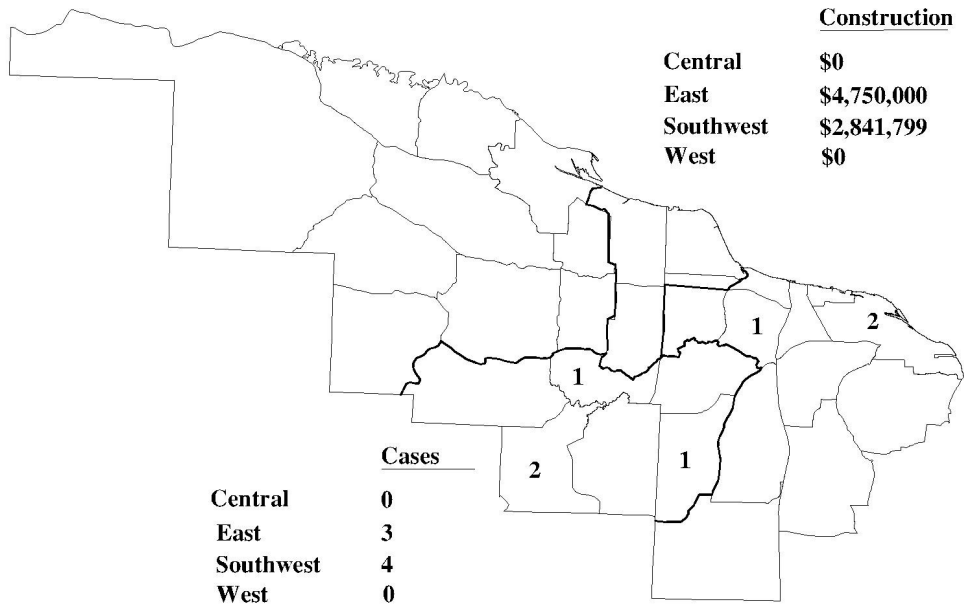
Year	Permits	Sq. Ft.	Cost
1995	4	108,750	\$2,511,400
1996	3	43,250	\$2,221,000
1997	7	513,346	\$6,968,001
1998	13	308,464	\$26,782,784
1999	18	395,022	\$7,622,214
2000	19	382,138	\$8,714,609
2001	7	87,502	\$1,482,000
2002	9	150,235	\$6,353,680
2003	6	138,255	\$10,650,090
2004	8	113,142	\$2,642,000
2005	6	128,585	\$12,591,006
2006	7	115,919	\$7,591,799

Industrial Projects Permitted in excess of 25,000 square feet

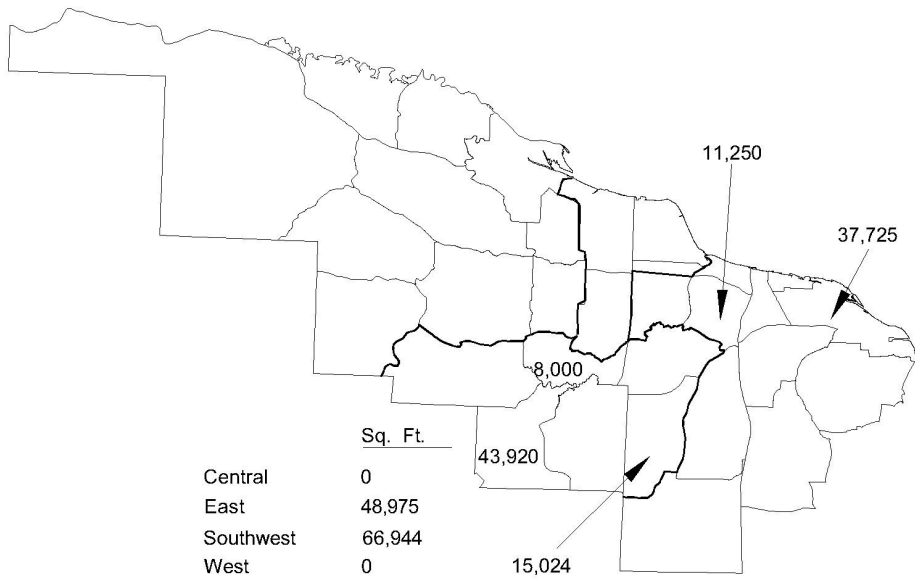
Project	Location	Sub-area	Sq. Ft.
Dassault Falcon Jet	3801 East 10 th Street	east	27,000
American Paper & Twine	11510 Otter Creek South Rd	southwest	25,920

Industrial Activity

New Industrial Activity



New Industrial Activity



Warehouse Vacancy Rate

Due to the nature of industrial/warehouse properties, some fully occupied properties are often not reported. The vacancy rate may trend high as a result of this characteristic. In the 2006 *Arkansas Business Lease Guide*, the amount of space reported is similar for all sub-areas except the central sub-area. As in previous years construction of new structures really does not relate to the changes reported here.

Warehouse Market

Sub-area	Total Leasable Space	Average Occupancy Rate
East	824,958	61.5%
Central	927,354	80.8%
Southwest	1,688,090	83.6%
West	403,258	65.2%

The two sub-area with the highest reporting areas from 2005 each experienced significant drops in the square-footage reporting in 2006. The southwest sub-area dropped 11.7 percent to 1,688,090 square-feet with the east sub-area dropping 20 percent to 824,958 square-feet. The central sub-area also is reporting less area (9.6%). Only the west sub-area showed more area reported in the 2006 survey.

The occupancy rate for the southwest sub-area improved the most from 62 percent to almost 84 percent. This is the best 2006 occupancy rate of the sub-areas. The central sub-area occupancy rate while weakening two percentage points was still at almost 81 percent. The west sub-area showed the greatest weakening of occupancy rate from about 79 percent to approximately 65 percent. This sub-area was the only one to increase the reporting area – 0.7 percent increase. The east sub-area continues to report the weakest occupancy rate at 61.5 percent, though this is a five percentage point improvement over 2005.

It is important to note that the occupancy rates should not be used as a direct comparison from year to year and comparisons must remain general. This information is supplied to give an overview of the occupancy rates within the City. The 2006 *Lease Guide* includes listings on 66 warehouse properties up from 59 in the 2005 guide. *Arkansas Business* made no effort to validate the survey responses. For more information contact Gwen Moritz, Editor-In-Chief-*Arkansas Business* at (501)-372-1443.

Annexation Activity

The City accepted one annexation of 9.94 acres in 2006. A second annexation was withdrawn prior to public hearing before the Planning Commission. This request had been to allow expansion of a multi-family-golf community to the west. Concerns about the ability of the City to provide public safety services to the site, led to the withdrawal of this request.

The Reese Annexation included just less than 10 acres. It is in the Ellis Mountain Planning District, located west of Kanis Road just south of Pride Valley Road. The property is currently undeveloped. Planning Commission has approved a proposal to construct 50 homes on this land. The site is adjacent and north of Baker Elementary school on Kanis Road.

With the acceptance of this area, the current city limits of Little Rock expanded to 119.57 square miles. This is an increase of just over 0.0% from 2005, 1.34% from 2000 and 11.88% from 1990 in total square miles of the City. Areas presented in the table are based on the area generated using legal descriptions for each area.

When reviewing the historical record of Little Rock growth, large expansions occurred in the mid-1950s and again in the late 1970s. It is a second surge in the early to mid-1980s that makes the growth change noticeable to people today. The period of aggressive annexation activity experienced from 1979 through 1985 appears to be over. Since the middle 1980s, except for 'island annexations, all annexations have been at the request of property owners to get some city service.

Year	Cases	Annexed Acres	City Limits Sq. Miles
1980	10	1951.289	82.633
1981	9	608.971	83.585
1982	7	367.945	84.159
1984	10	364.905	84.730
1985	4	8746.251	98.396
1986	1	21.244	98.429
1987	5	446.156	99.126
1989	1	2176.691	102.527
1990	2	2781.279	106.873
1991	1	686.131	107.945
1993	5	1093.291	109.653
1994	3	1942.767	112.689
1995	1	72.482	112.802
1996	8	695.018	113.888
1997	2	820.152	115.169
1998	3	247.644	115.556
1999	1	1229.616	117.478
2000	2	328.057	117.990
2001	2	566.858	118.876
2002	1	5.34	118.884
2003	1	2.77	118.888
2004	3	377.24	119.477
2005	5	47.49	119.55
2006	1	9.94	119.57

Subdivision Activity

A review of subdivision plat activity is a good measure of likely development over the next year. The maps and table show the locations of Planning Commission approved preliminary plats. Ninety-three percent of the cases were in either the west or southwest sub-areas, each had 20 cases approved in 2006. The west sub-area accounted for a majority of the land involved in a preliminary plat at 64.8 %.

The southwest sub-area had same number of cases as that of the west sub-area; however the area involved in plats was approximately half that of the west sub-area. Only 34.2 % of the area involved in preliminary plats was located in the southwest sub-area. Approximately 645 acres in the west sub-area, with 341 acres in the southwest, this is 99 percent of all the area subdivided in 2006. The west sub-area has been and continues to be the growth area of Little Rock. The 2006 data shows a renewed interest in development in the southwest sub-area.

Most of the central and east sub-areas were developed and platted more than four decades ago. Thus the small amount of activity in the east sub-area should not be a surprise. Only one case and nine acres was subdivided in 2006 within these two sub-areas.

The number of approved preliminary plats increased from 42 in 2005 to 43 in 2006. The total acreage in 2006 decreased 21 percent from 1262.5 acres to 995.84 acres. Non-residential activity as measured by cases remained at 13 cases. The total non-single family acreage platted went from 245.4 acres to 192.77 acres (a 21.4 percent decrease). Commercial acreage remained steady with a 0.4 percent increase, from 139.5 to 140.1 acres. Office falling by half the number of cases and a 86.6 percent drop in area involved. Industrial activity actually increased, with triple the cases (three) but a 15.6 percent reduction in the area involved in plats. Residential platting activity was steady with a slight increase from 29 plats to 30 plats, a 3.4 percent increase. There were no multifamily subdivisions for the second year. Single-family acreage fell 21 percent from 1017.14 acres to 803.07 acres. Residential lots likewise fell 43 percent from 2328 residential lots in 2005 to 1327 residential lots in 2006.

The majority of the single-family residential approved preliminary plat cases were located in the west sub-area (14 cases) and 71.9 percent of the acreage was located in the west sub-area. The southwest sub-area also had 14 cases approved in 2006. The acreage involved in these plats was 217.32 acres and accounted for 27 percent of the area involved in plats for 2006. The central sub-area had three cases for 9.1 acres (1.1%). The east sub-area had no residential subdivision activity.

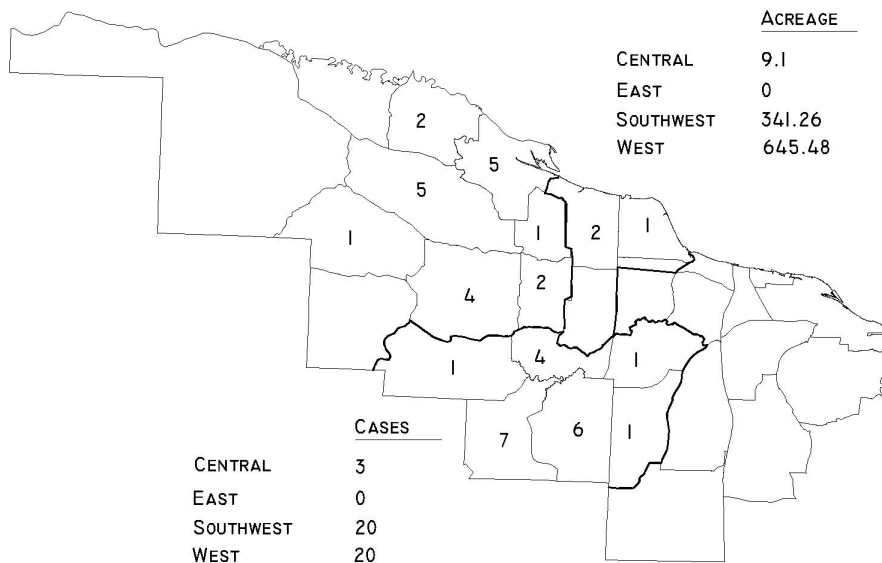
As with single-family plat activity, the west and southwest sub-areas accounted for most of the non-residential plat activity, with 46.1 percent of the cases in each sub-area respectively. The southwest sub-area was the most active area with 64.3 percent or 123.94 acres. The west sub-area had just over half the areas at 68 acres or 35.3 percent of the area. The central sub-area had one case, with none in the east sub-area. The commercial plats were split between the west at four cases (50 %) and southwest with three. Almost forty-four percent of the area in commercial plats was in the west sub-area with 55.8 percent in the southwest sub-area. All the office activity was in the west sub-area with 2 cases and 6.9 acres. All the industrial plats were in the southwest sub-area, with 3 cases and 45.81 acres.

This plat activity shows continued interest in the west and southwest sub-areas for developable areas.

Subdivision Activity

Plan Dist.	Commercial		Office		Industrial		Multi-Family		Single Family		Res. Lots
	cases	acres	cases	acres	cases	acres	cases	acres	cases	acres	
1			1	2.4					4	12.6	18
2									1	1.25	3
3									2	8.31	14
4	1	0.79									
11	1	8.44	1	4.5							
12	1	68.38			1	15.4			2	71.32	226
13									1	4.71	19
14									1	1.36	3
15	1	5.85			1	7.91			4	55.99	164
16	1	3.9			1	22.5			5	75.61	189
17									1	8.33	2
18	1	1.46							3	328.3	190
19									5	181.29	488
20	2	51.24									
21									1	54	11
Total	8	140.06	2	6.9	3	45.81	0	0	30	803.07	1327

Approved Preliminary Plats



Final Plat Activity

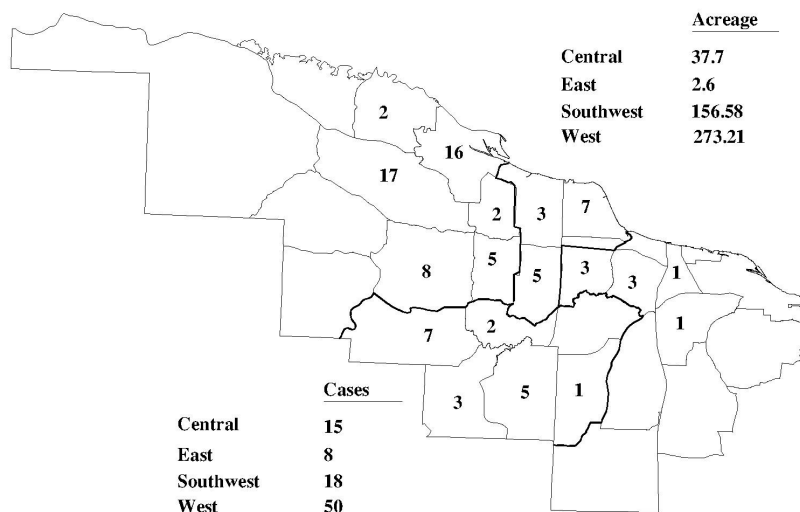
The number of final plats and acreage declined during 2006. In 2006, 91 cases for a total of 470.09 acres were final platted. This is compared to 113 cases and 824.69 acres in 2005 representing a 19.5% decrease in cases and a 43% decrease in acreage.

The area within signed final plats has been concentrated in the west sub-area with 273.21 acres (58%). The central and southwest sub-areas each had 15 and 18 cases, respectively. The acreage platted in the central sub-area was 37.7 acres while 156.58 acres was final platted in the southwest sub-area. The west sub-area represented 54.9% of the cases and 58.1% of the area final platted in 2006. The table and maps indicate more specifically the Planning Districts where the strongest activity is occurring.

Activity in the west sub-area decreased in cases from 61 to 50, and decreased 53.1% to 273.22 acres in area. The southwest sub-area expressed a decline in activity to 18 cases, a drop of 18% and a decrease of 4.5% to 156.58 acres in area. The central sub-area had a 28% decrease in the number of cases and 112% increase in area. The east sub-area had one less case at 8 with a 95.7% decline in area to 2.6 acres.

Plan Dist.	Final Plat	
	cases	acres
1	16	41.53
2	2	2.4
3	3	1.21
4	7	4.66
7	1	0.35
8	3	0.84
9	3	0.79
10	5	31.83
11	5	24.23
12	2	19.05
14	1	1.31
15	5	20.46
16	3	12.51
17	7	103.25
18	8	75.14
19	17	109.76
20	2	20.15
24	1	0.62
Total	91	470.09

Approved Final Plats



Zoning Activity

In 2006, thirty-one cases were approved for reclassification. This is a 106 percent increase in the number of approved cases from 2005. The number of cases declined from 15 to 31, with an area increase of 71.1 percent from 87.7 acres in 2005. Most of the approved cases were in the west and southwest sub-areas with 71 percent of the cases (eleven in each sub-area). The central sub-area had the least cases with 3 and the east sub-area had six cases.

The majority of the cases (61.3%) were reclassifications to either commercial or office. Nineteen of the thirty-one cases were either commercial or office. Thirty-two percent of the cases reclassified to residential use. Eleven cases were to Commercial with 9 cases to single-family and 8 to office. Only a couple of the 31 cases were for an area greater than 10 acres.

The largest reclassification was to Industrial in the I-430 planning district. The request was for just over 20 acres (13.6% of the 2006 total). The second largest was to multifamily in the Central City district for 14.5 acres. This accounts for 9.6 percent of the 2006 total.

Planned Zoning District (PZD) activity remained active with a slight decrease of five cases from 2005 (76 to 71 cases). During 2005, 76 cases were approved as PZD's for a total of 567.4 acres. During 2006 there were 71 cases and 406.27 acres approved. This is a decrease of 6.5 percent in the number of cases and 28.4% in the area involved.

The west sub-area each captured 56.3% of the approved PZD cases of the City. The central and southwest sub-areas each had eight cases or 11.2% of the cases. The central sub-area had 15 or 21.1% of the cases in 2006. The west sub-area accounted for 83.2 % of the area or 337.95 acres. The central sub-area accounted for 1.6% or 6.36 acres – the least. The southwest sub-area had the second largest area involved at 49.27 acres, but only 12.11 % of the total area.

To get a complete view of the zoning activity, one needs to look at both PZD and regular reclassification. For 2006 the number of cases remained steady increasing two from 100 in 2005. The area involved in reclassifications fell 15% from 655.11 acres to 556.41 acres.

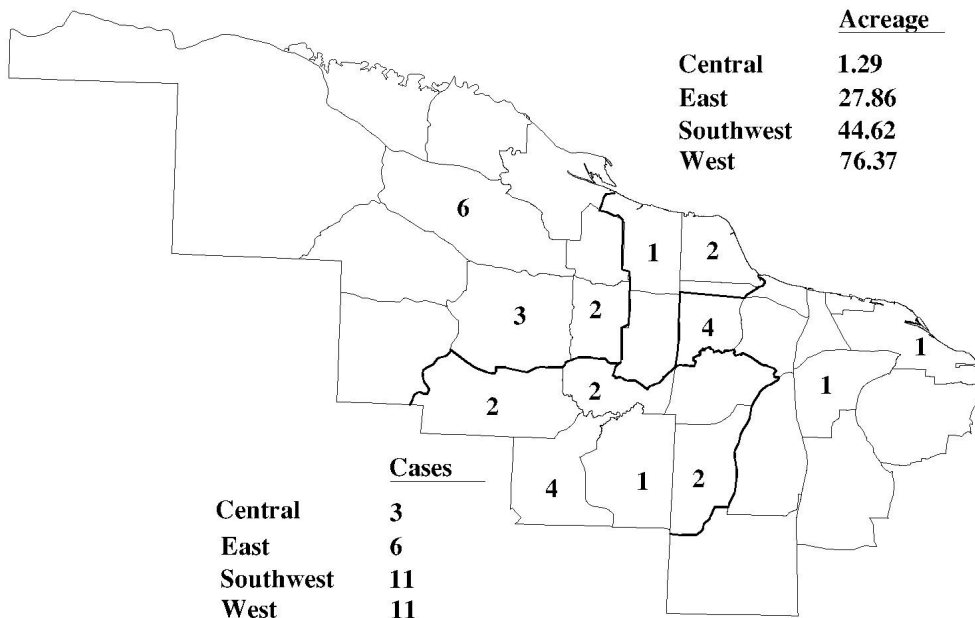
The table and map of rezoning and PZD approved cases show the areas most likely to develop in 2007 or soon then after. Because of the nature of PZD request, these are projects likely to be developed in the near term.

Based on the information provided by the graphic and the table, the majority of growth should take place in the west sub-area where 50% of the cases occurred and 74.4% of the area was located in 2006. Based on reclassification activity some future growth or redevelopment is likely in each of the other sub-areas but none close to the intensity of the west sub-area.

Zoning Activity

Planning District	Commercial		Office		Multi-Family		Single-Family		Industrial	
	cases	acres	cases	acres	cases	acres	cases	acres	cases	acres
3							1	0.19		
4			1	0.16			1	0.94		
8			2	8.2	1	14.48	1	0.16		
11			1	2.04					1	20.45
12			1	1.37					1	5.06
14	2	1.59								
15							1	7.88		
16	2	6.38					2	14.96		
17	2	7.38								
18	1	2.05	2	2.73						
19	3	17.1	1	2			2	30		
24							1	0.16		
25	1	4.86								
Total	11	39.36	8	16.5	1	14.48	9	54.29	2	25.51

Approved Rezoning

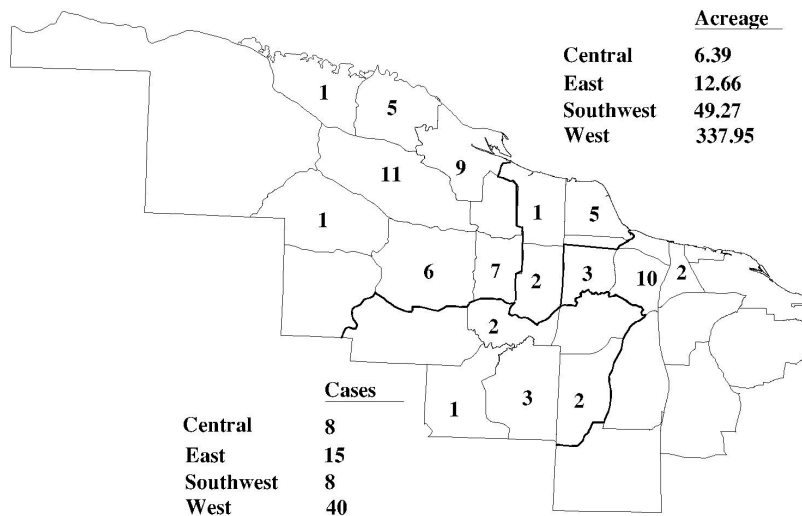


Zoning Activity

PZD Activity

Planning District	Commercial		Office		Industrial		Residential	
	cases	acres	cases	acres	cases	acres	cases	acres
1	5	56.66	3	6.6			1	19.52
3							1	2.72
4	1	0.16	2	1.18			2	1.25
7			1	0.18	1	1.45		
8	1	0.17	2	1.36	1	0.14	6	7.5
9	2	1.06	1	0.8				
10	2	0.83						
11	3	17.74	3	19.34			1	6.27
12	1	0.78					1	7.68
14			1	0.64			1	0.76
15	1	3.5					2	34.9
16					1	1.01		
18	3	48.4	1	22.9			2	14.06
19	3	34.28	5	31.95			3	9.93
20	3	9.06					2	36.8
21	1	3.37						
29			1	1.07				
Total	26	176.01	20	86.02	3	2.6	22	141.39

Approved PZD's



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